

FILED
HELENA DIVISION

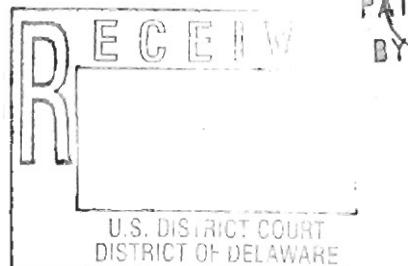
2005 MAY 19 PM 12 07

PATRICK E. DUFFY, CLERK
BY *Cheri Anderson*
DEPUTY CLERK

25 - 499

Stanley T. Kaleczyc
 Kimberly A. Beatty
 BROWNING, KALECZYC, BERRY & HOVEN, P.C.
 139 North Last Chance Gulch
 P.O. Box 1697
 Helena, MT 59624
 Phone: (406) 443-6820
 Fax: (406) 443-6883

Attorneys for Defendants.

**RECEIVED**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF MONTANA
BUTTE DIVISION

38

MAY 25 2005

CLERK U.S. DISTRICT COURT
DISTRICT OF MONTANA
MASTEN ASSET MANAGEMENT
CORPORATION,
Plaintiff,
vs.
MIKE J. HANSON, and ERNIE J. KINDT,
Defendant

Case No.: CV-04-26-BU-RFC

) **AFFIDAVIT OF THOMAS J. KNAPP IN
SUPPORT OF MOTION TO TRANSFER
VENUE OR IN THE ALTERNATIVE,
STAY ACTION**

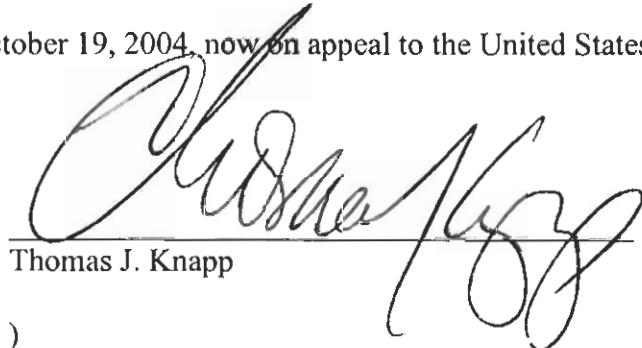
Thomas J. Knapp, being duly deposed and sworn states:

1. I am an attorney licensed to practice law in the District of Columbia, Florida, Illinois, and Texas.
2. I am General Counsel of NorthWestern Corporation and am General Counsel of Clark Fork and Blackfoot, LLC.
3. I am submitting this affidavit in support of the Motion of the Defendants to Transfer Venue or, in the alternative, Stay Action in this litigation.
4. Both Mr. Kindt and Mr. Hanson, the Defendants in this litigation, are indemnified by both Clark Fork and Blackfoot LLC and NorthWestern Corporation.

5. Attached to this Affidavit as Exhibits A and B are true copies of the letters dated August 9, 2004 addressed to each of the Defendants which set forth the terms of the indemnification.

6. Proceeds available for the indemnification of Messrs. Hanson and Kindt, depending upon the applicable directors and officers liability insurance policy, will have to come either from the assets of North Western Corporation, if necessary, or from the D & O Trust established under the Second Amended and Restated Plan of Reorganization as confirmed by order of the Bankruptcy Court on October 19, 2004, now on appeal to the United States District Court for the District of Delaware.

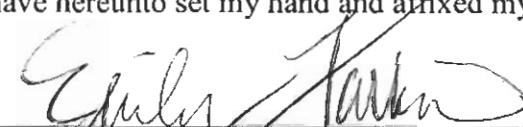
Further affiant sayeth not.


Thomas J. Knapp

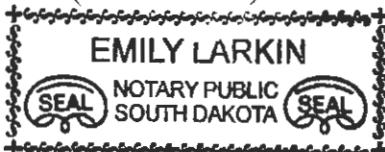
STATE OF South Dakota)
County of Minnehaha)
: ss.)

On this 18th day of May, 2005, before me, the undersigned, a Notary Public in and for the State of South Dakota, personally appeared Thomas J. Knapp, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same.

In witness whereof, I have hereunto set my hand and affixed my notarial seal on the day and year first above written.


NOTARY PUBLIC FOR THE STATE OF SOUTH DAKOTA
Printed Name: Emily Larkin
Residing at: 1255 Dakota Avenue, Sioux Falls, SD 57104
My commission expires: 8-28-09

(Notarial Seal)



CERTIFICATE OF SERVICE

I hereby certify that on the 19th day of May, 2005, a true and correct copy of the foregoing was mailed by first-class mail, postage prepaid, addressed to:

James H. Goetz
J. Devlan Geddes
Goetz, Gallik & Baldwin, P.C.
35 North Grand
P.O. Box 6580
Bozeman, MT 59771-6580

Bonnie Steingart
John W. Brewer
Fried, Frank, Harris, Shriver & Jacobsen, LLP
One New York Plaza
New York, NY 10004


BROWNING/KALECZYC, BERRY & HOVEN, P.C.

CLARK FORK and BLACKFOOT, LLC
125 South Dakota Avenue
Sioux Falls, SD 57104

RECEIVED

SEP 3 0 2004

BROWNING KALECZYC
BERRY HOVEN

August 9, 2004

Ernest Kindt
5 Amber Way
Butte, MT 59701

Dear Mr. Kindt:

You have requested that, subject to your agreement to the undertakings described below, Clark Fork and Blackfoot, LLC ("CFB") and, if for whatever reason CFB can not, NorthWestern Corporation (the "NorthWestern") advance on your behalf reasonable expenses consistent with CFB and/or NorthWestern policy (including reasonable attorneys' fees) incurred in connection with litigation styled *Magen Asset Management Corporation v Hanson, et al.*, Cause No. CV-04-26-BU-RFC pending in the U.S. District Court for the District of Montana ("Proceedings"). Subject to the conditions and circumstances set forth below, CFB and if for whatever reason CFB can not, NorthWestern will agree to indemnify and advance such reasonable expenses.

Your signature below will confirm your agreement that any advancement by the CFB in the first instance and then NorthWestern of expenses reasonably incurred on your behalf will be subject to the undertakings and conditions set forth herein. By signing below, you represent in good faith that you meet the standard of conduct necessary for indemnification under the Limited Liability Company Operating Agreement of The Montana Power LLC ("Operating Agreement") in the case of CFB and Section 145 of the Delaware General Corporation Law in the case of NorthWestern: (1) to the extent of your involvement in any civil matters that are the subject of the Proceedings, that you acted in good faith and in a manner you reasonably believed to be in or not opposed to the best interests of CFB and NorthWestern; and (2) to the extent of your involvement in any criminal matters that are the subject of the Proceedings, that you had no reasonable cause to believe your conduct was unlawful. Section 14 of the Operating Agreement, Article V of the Company's Bylaws and § 145(e) require that, should it ultimately be determined that you are not entitled to be indemnified as authorized under those provisions, all advance payments made by the CFB or NorthWestern on your behalf must be repaid by you to CFB or NorthWestern, as the case maybe.

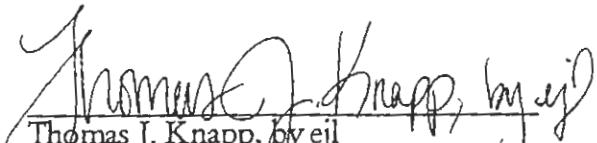
EXHIBIT

A

Accordingly, you undertake to repay all amounts advanced by CFB or NorthWestern hereunder in connection with the Proceedings if it should ultimately be determined that, with respect to the subject matter of the Proceedings, you are not entitled to be indemnified under Section 14 of the Operating Agreement or Article V of the Company's Bylaws or otherwise. You further agree that, by advancing defense expenses on your behalf, CFB or NorthWestern does not waive or limit any right to recoupment of such expenses from any insurance policies, which may be available.

Please acknowledge your agreement with the foregoing by signing and returning the enclosed copy of this letter.

Very truly yours,



Thomas J. Knapp, by ejl
Vice President and Deputy General Counsel

Acknowledged and agreed:



Date: August 17, 2003

CLARK FORK and BLACKFOOT, LLC
125 South Dakota Avenue
Sioux Falls, SD 57104

August 9, 2004

Michael Hanson
47258 272nd Street
Sioux Falls, SD 57108

Dear Mr. Hanson:

You have requested that, subject to your agreement to the undertakings described below, Clark Fork and Blackfoot, LLC ("CFB") and, if for whatever reason CFB can not, NorthWestern Corporation (the "NorthWestern") advance on your behalf reasonable expenses consistent with CFB and/or NorthWestern policy (including reasonable attorneys' fees) incurred in connection with litigation styled *Magien Asset Management Corporation v Hanson, et al.*, Cause No. CV-04-26-BU-RFC pending in the U.S. District Court for the District of Montana ("Proceedings"). Subject to the conditions and circumstances set forth below, CFB and if for whatever reason CFB can not, NorthWestern will agree to indemnify and advance such reasonable expenses.

Your signature below will confirm your agreement that any advancement by the CFB in the first instance and then NorthWestern of expenses reasonably incurred on your behalf will be subject to the undertakings and conditions set forth herein. By signing below, you represent in good faith that you meet the standard of conduct necessary for indemnification under the Limited Liability Company Operating Agreement of The Montana Power LLC ("Operating Agreement") in the case of CFB and Section 145 of the Delaware General Corporation Law in the case of NorthWestern: (1) to the extent of your involvement in any civil matters that are the subject of the Proceedings, that you acted in good faith and in a manner you reasonably believed to be in or not opposed to the best interests of CFB and NorthWestern; and (2) to the extent of your involvement in any criminal matters that are the subject of the Proceedings, that you had no reasonable cause to believe your conduct was unlawful. Section 14 of the Operating Agreement, Article V of the Company's Bylaws and § 145(e) require that, should it ultimately be determined that you are not entitled to be indemnified as authorized under those provisions, all advance payments made by the CFB or NorthWestern on your behalf must be repaid by you to CFB or NorthWestern, as the case maybe.

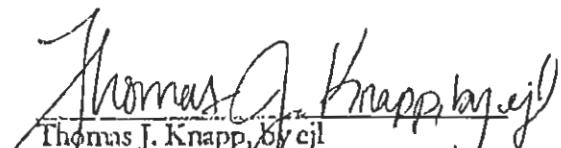
EXHIBIT

B

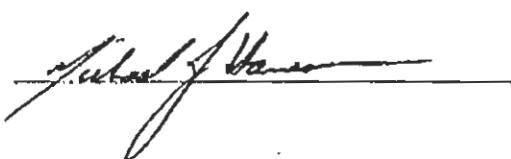
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Please acknowledge your agreement with the foregoing by signing and returning the enclosed copy of this letter.

Very truly yours,


Thomas J. Knapp, by ejl
Vice President and Deputy General Counsel

Acknowledged and agreed:



MAY 9, 2005
Date: August , 2005